



# State of North Carolina

## Office of the State Controller

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**STATE CONTROLLER**

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### OFFICE OF STATE CONTROLLER FEBRUARY REPORT OUTLINES CONTINUED DECLINES IN GENERAL FUND REVENUES

**RALEIGH** -- State Controller David McCoy said General Fund tax and non-tax revenues for fiscal year 2009, when compared to the prior year through February 28, decreased by \$723.2 million, or 5.9%. Tax revenues through February 2009 declined by \$845.2 million, or 7.3%, and non-tax revenues increased by \$122 million, or 22.3%, primarily due to the transfer of \$200 million from non-General Fund sources on February 27, 2009.

Investment earnings for the year to date through February 2009 declined by \$73.4 million, or 41.8%, primarily due to lower cash availability for investment and a lower rate of return.

During February 2009, the Governor authorized the transfer of additional funds of \$300 million into the General Fund for the purpose of providing cash flow to meet the State's obligations. Through February 28, 2009, \$200 million of this amount had been made available to the General Fund: \$50 million from the Education Lottery Reserve Fund, \$50 million from the Public School Textbook Fund, and \$100 million from the Clean Water Management Trust Fund. The Office of State Budget and Management is analyzing the remaining \$100 million that is expected to be transferred from the Public School Building Capital Fund to the General Fund. OSBM is ensuring the timing and amount do not impact any existing capital projects.

Also during February, taxpayer refunds continued to be processed and paid in accordance with state law, but at a slower rate than in recent years due to cash flow management. The State Controller monitors state agency spending requirements on a daily basis. On February 28, 2009, not all refunds processed had been disbursed. Processed refunds pending amounted to \$294.1 million.

The General Fund is the major operating fund of the state and accounts for all receipts that are not required by law to be deposited into another fund. This report can be found at [www.osc.nc.gov](http://www.osc.nc.gov). Go to "Recent Publications" and click on "General Fund Monthly Financial Report -- February." The OSC website includes General Fund monthly budgetary basis financial information back through June 1998.

*The State Controller is North Carolina's chief fiscal officer. The Office of the State Controller ensures the financial integrity of the State by providing accounting, disbursing, payroll, internal control and financial reporting systems that serve state agencies, employees and the public and maximizing financial return through its statewide cash management plan. The OSC issues numerous financial reports including: Financial Highlights, General Fund Monthly Financial Report, IT Expenditures Report, Statewide Accounts Receivable Report, the State's Comprehensive Annual Financial Report (CAFR) as well as the short, easy-to-read version of the CAFR known as the "popular" report.*